



Economic Affairs Interim Committee

64th Montana Legislature

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as of May 29, 2015

BACKGROUND INFORMATION ON DEPARTMENT OF LABOR AND INDUSTRY

as of May 2015

The Department of Labor and Industry is one of seven agencies monitored by the Economic Affairs Interim Committee. The following provides organizational, budgetary, and legislative overviews. The Department is headed by Commissioner of Labor and Industry Pam Bucy.

Organizational chart

Under the **Commissioner's Office** are:

- the Office of Legal Services
- the Director of Communications
- the State Workforce Investment Board
- the Office of Human Resources

Under the **Centralized Services Division** are:

- the Fiscal Support Bureau
- the Office of Administrative Hearings

Under the **Workforce Services Division** are:

- Job Service Operations Bureau
- Research and Analysis Bureau
- Statewide Workforce Programs and Oversight Bureau

Under the **Unemployment Insurance Division** are:

- Unemployment Insurance Claims Processing Bureau
- Unemployment Insurance Contributions Bureau
- Unemployment Insurance Program Support Bureau

Under the **Employment Relations Division** are:

- the Human Rights Bureau
- the Labor Standards Bureau
- the Safety and Health Bureau
- the Workers' Compensation Claims Assistance Bureau
- the Workers' Compensation Regulations Bureau.

Under the **Business Standards Division** are:

- the Building Codes Bureau
- the Board Management Bureau
- the Operations Bureau
- Licensing
- the Weights and Measures Bureau
- 33 professional and occupational licensing boards
- the Montana Boiler Operator Program
- the Montana Construction Blasters Program
- the Montana Crane/Hoisting Operators Program
- the Montana Elevator Contractors, Mechanics, and Inspectors Licensing Program
- the Montana Fire Prevention Licensure Program

The **Technology Services Division** is new.

Also assigned to the Department of Labor and Industry are:

- the Office of Community Service;

- the Workers' Compensation Court;
- the Board of Personnel Appeals;
- the Board of Labor Appeals (renamed under SB 105 as the Unemployment Insurance Appeals Board); and
- the Commission for Human Rights.

Budget

The 2015 Legislature increased the appropriation for the Department of Labor and Industry for the 2017 biennium by 1.3% and reduced full-time equivalent positions paid by the general fund by 71.51 positions as compared with the previous biennium. Some of these positions had been vacant, some were eliminated because of loss of federal funds, and some were retained but put into a proprietary fund by which their services are charged to others in the Department (basically 33 people working in the Technology Services Division). New funding provided to implement Senate Bill No. 405 allowed an additional 13 FTE. SB 405 is the Montana bill to allow expanded access to Medicaid federal dollars for health care for those with low incomes and contains a workforce assistance component.

For FY 2016 the Department's budget appropriation authority is approximately \$82.49 million.
For FY 2017 the Department's budget appropriation authority is approximately \$81.16 million.

Highlighted budget issues

The appropriation process cut a number of positions in the Department of Labor and Industry. The EAIC might want to follow up with the Department to see how the reductions are affecting services.

Legislation impacts

Several enacted bills impact licensing boards under the Business Standards Division. For example:

- SB 390 is a study of how the Department sets fees commensurate with its costs and proposes looking at the cost of licensing boards in general. In addition, SB 79 revised what components the Department is to consider in setting board fees. The delineation is expected to improve audit assessment and compliance. As the Department implements the new process, the study will provide an opportunity to determine what goes into direct and indirect costs that make up fees.
- Licensure compacts were enacted that impact the Board of Medical Examiners and the Board of Nursing. Does the Department expect any implementation issues or timing concerns?
- SB 76, requested by the Department, is an attempt to streamline disciplinary processes. Is SB 76 going to be able to lower administrative costs to less than what they were prior to SB 76?
- What impact does the Department see SB 401 having on the boxing program and does the Department expect program solvency to be a result of SB 401? If not, what options are available?
- What implementation plans does the Department have for its workforce services portion of SB 405? Is there a timeline for hiring additional personnel? Where might these personnel be located?
- What impacts are expected on the Board of Funeral Service with additional funding provided from channeling part of the higher cost of death certificates to help fund the Board, as provided in HB 223? With a termination date included in the bill, the additional funds can provide a pilot project of sorts to see if the money helps with solvency.
- What impacts are expected from HB 117 under which the Board of Realty Regulation, the Board of Plumbers, and the Electrical Board will be able to target unlicensed individuals from practicing the professions that they regulate?
- Are there measurable objectives that can be used to determine if the enterprise fund approach allowed under HB 560 for the Board of Public Accountants has value for other boards?